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Governor

STATE OF NEVADA
DEPARTMENT OF BUSINESS AND INDUSTRY
DIVISION OF MORTGAGE LENDING
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BRUCE BRESLOW
Director

JAMES WESTRIN
Commissioner

DATE: December 05, 2012
TO: Covered Service Provider Licensees
FROM: Division of Mortgage Lending
SUBJECT: 2013 Financial Statement Filing Requirement Reminder

In preparation for the required 2013 annual CPA-prepared financial statement submissions by licensees, the Division of Mortgage Lending reminds licensees of the following:

Pursuant to Nevada Administrative Code 645F.460 (Annual financial statement):

- Except as otherwise provided in this section, not later than 120 days after the last day of each fiscal year for an independent licensee, the independent licensee shall submit to the Commissioner a financial statement that:
 - Is dated not earlier than the last day of the fiscal year; and
 - Has been prepared from the books and records of the independent licensee by an independent certified public accountant who holds a permit to engage in the practice of certified public accounting in this State or another state.
- The Commissioner may grant a reasonable extension for the submission of a financial statement pursuant to this section if an independent licensee requests such an extension before the date on which the financial statement is due.
- If an independent licensee maintains any accounts described in NAC 645F.465 and the 6-month average balance in those accounts exceeds \$75,000, the financial statement submitted pursuant to this section must be "audited" in accordance with generally accepted auditing standards. The independent certified public accountant who prepares the report of an audit shall submit a copy of the report to the Commissioner at the same time that the independent certified public accountant submits the report to the independent licensee.

Pursuant to Nevada Administrative Code 645F.470 (Required financial statements for separate trust accounts):

- An independent licensee maintaining any account described in NAC 645F.465 shall, not later than 120 days after the end of the fiscal year for the independent licensee, provide to the Commissioner an annual financial statement of the account or accounts. A financial statement of the account or accounts required by this subsection must include, if applicable:
 - A statement of the asset balance and liabilities of each trust account;
 - A statement of all receipts for, disbursements from and changes in cash balances of each trust account;
 - A supplementary schedule of the liabilities of each trust account; and
 - A reconciliation of the cash balance of each trust account to the supplementary schedule of the liabilities of each trust account.
- The Commissioner will make available an approved format and sample content for the statements required by this section. An independent licensee shall submit the statements required by this section in substantially the same format as the approved forms. (The approved format and sample content may be found on the Division's website.)
- In addition to the annual financial statement of the account or accounts required by subsection 1, not later than 60 days after the last day of each fiscal year for an independent licensee, and every 6 months thereafter, the independent licensee shall submit to the Commissioner an unaudited financial statement of the account or accounts. The financial statement required by this subsection may be self-prepared.
- Except as otherwise provided in this subsection, the Commissioner may grant a reasonable extension, not to exceed 30 days, for the submission of a financial statement of the account or accounts pursuant to this section if an independent licensee requests such an extension, in writing, before the date on which the financial statement is due. Upon written request, the Commissioner may, for good cause, grant, in writing, an additional extension, not to exceed 30 days, of the period for the submission of a financial statement.

CPA Preparers:

Effective July 1, 2009 the Nevada State Board of Accountancy allows out of state licensed individuals and/or firms whose principal place of business is outside of Nevada, to enter the state to perform work under the Practice Privilege (Mobility) provisions. Pursuant to NRS 628:

- An individual CPA, with a valid license in another state, can enter this state, perform certain services and utilize the CPA designation without having to obtain a license or

permit. An out of state firm or sole practitioner that does not have an office in Nevada may utilize the CPA designation and perform the following services without registering with the Nevada State Board of Accountancy as follows:

- Practice of Public Accounting (No Attest)
 - Compilation Services
 - The out of state firm or sole practitioner can perform the above services without registering if:
 - The Firm (defined as a Corporation, Partnership, Limited Liability Company or Sole Practitioner) is comprised of CPAs in any state that own a simple majority, in terms of financial interests and voting rights, and complies with the provisions of NRS 628.325 subsection 5 for Non-CPA ownership;
 - The individual person that is granted practice privileges in Nevada practices such public accounting or performs such compilation services or other professional services within the practice of public accounting (other than attest services) for the client having his home office in Nevada; and
 - The firm can lawfully perform public accounting, compilation services or other professional services within the practice of public accounting in the state where the principal place of business of the individual person granted practice privileges is located.
 - Practice privilege information – A person who holds a valid license as a CPA from any state is granted practice privileges in Nevada and will be considered a CPA for all purposes under the laws of Nevada pertaining to practice privileges. The CPA with practice privilege is not considered licensed as provided within the Nevada Board's licensing laws. The individual is not required to obtain a license or a permit unless certain services are performed that would require out of state registration. Individual CPA registration is not required if the CPA is employed by a firm or sole proprietorship that requires registration. Only the firm would obtain the out of state registration based on the out of state registration criteria.
- Registration is required for certain engagements – Out of state registration is required **ONLY IF ATTEST** services are performed for a client whose **home office is in Nevada.**
 - In each instance, the CPA must hold an active license which is in good standing and which has not been suspended or revoked.

Address for Submission:

Annual (and Interim) financial reports shall be submitted to the State of Nevada, Division of Mortgage Lending {Attention: CPA} by mail or delivery service to 7220 Bermuda Road, Suite A, Las Vegas, Nevada 89119, or via facsimile to (702) 486-0785.